

**Minority Business Development Agency National Director Ronald N. Langston
Remarks before the Leadership Council of the NAACP 99th Annual Convention
Cincinnati, Ohio**

THE CHALLENGE OF THE PROMISE

On behalf of the President of the United States and the U.S. Secretary of Commerce, Carlos M. Gutierrez, thank you for the invitation and honor to speak at the 99th Annual NAACP Convention. I have a great respect and affection for the historic legacy of the NAACP. I am deeply honored to be with you. Being here this year in July is particularly unique and special because it is the birth month of two great giants in the struggle for freedom: July 2, 2008 was the 100th birthday of Thurgood Marshall; on July 18th, Nelson Mandela will celebrate his 90th birthday.

As we reflect on the theme of this year's convention, "Power, Justice, Freedom and the Vote," imagine America and the struggle for civil and equal rights without the contribution of Thurgood Marshall. Imagine Africa and the fight against apartheid and political freedom without Mandela. Thurgood Marshall and Nelson Mandela engaged in the deconstruction and dismantling of the infrastructure of segregation and apartheid by making the intellectual and moral case for justice and freedom. Both either led or were the catalyst for systemic change. These two giants, born in the first half of the last century are linked by a common legacy. *Thus, it is why I consider it an honor to address the NAACP in this special month and year.*

For the last seven and half years, I have served as the National Director of the Minority Business Development Agency (MBDA). The mission of MBDA is to achieve entrepreneurial parity for minority business enterprises by actively promoting their ability to grow and compete in the global economy. MBDA is the only federal agency created specifically to foster the establishment and growth of minority-owned businesses in America.

With nearly 50 business centers across the country, MBDA harnesses the entrepreneurial spirit by providing managerial and technical assistance to minority business owners. Guided by our mission, MBDA actively promotes strategic growth and competitiveness of large, medium and small minority business enterprises.

In addition, the Agency leverages public and private sector partnerships to help minority entrepreneurs to access capital, identify contract opportunities and pursue joint ventures. We believe the success or failure of minority-owned businesses will increasingly drive the success or failure of the overall U.S. economy. That is why MBDA has deemed minority business enterprises as the *national priority* for a competitive economy.

The Growth of African American Firms in U.S.

The mission of MBDA has taken on a greater significance since its early beginnings in 1969 as the number of minority business firms has grown to over 4.0 million and the U.S. minority population exceeds 102 million people. Most notably has been the dramatic growth of

African American firms which grew by 45% between 1997 and 2002. Equally impressive is that the annual gross receipts for these same firms increased by 25% over the same timeframe. From our vantage point minority-owned firms play a critical role in generating jobs, creating wealth, and introducing innovative products and services.

If the United States is to sustain its global competitiveness in the 21st century we must ensure the full participation and success of all Americans and all U.S. businesses. Yes, we have an aggressive mission, but as the scriptures remind us, *"To whom much is given, much is required."* Can I get an Amen?

Consistent with our mission we further believe the ability to effectively compete in the global economy will determine our destiny as the extended legacy of the African Diaspora, as Americans, and as a nation.

U.S. Exports on the Rise

Based on the May 2008 U.S. International Trade in Goods and Services report by the Department's Census Bureau and Bureau of Economic Analysis, U.S. exports increased 18.2 percent to \$768 billion year-to-date over the same period in 2007. Imports also increased 12.0 percent to \$1,063 billion and the trade deficit narrowed 1.3 percent during the same period. This data highlights the strength of American exporters in the global marketplace.

Growth in America's exports to world markets continues to contribute to the U.S. economic growth. In addition, free trade agreements, not only expand that growth by removing barriers for U.S. businesses, they also benefit close allies who are pursuing policies to increase their own openness to trade.

America must continue to embrace openness and not economic isolationism. Now the question is, with the progress we are making in imports/exports, are minority businesses actively engaged and benefiting from growing competitive global markets? The good news is minority firms have 10% or more of their sales in exports, (2.5% compared to non-minority firms at 1.2%). The *challenge* is minority business enterprises are faced with an "opportunity gap" we must close.

The United States economy is an entrepreneurial economy. The heart and driving life force for entrepreneurship is innovation --- the ability to create new ideas and inventions which impact the human condition.

Fostering Business to Business Linkages U.S. Minority Firms and African Firms

In 2003, MBDA released a report titled *Minority Business Enterprises in the Global Economy: The Business Case*. A definitive finding of the report asserts that if MBEs are to be competitively engaged in the worldwide economy they must also excel in accessing capital, master financial literacy and use technology as an e-business tool. As a result, MBDA has been committed to what we call *business to business linkages*, linking Small and Medium Enterprises (SMEs) with minority business enterprises (MBEs) in the U.S.

In January 2002, MBDA launched the Africa Initiative to focus on enhancing the growth and expansion of minority business enterprises in the United States. Under MBDA's Africa Initiative, there are significant opportunities for U.S. MBEs and those of African origin, and the Africa Diaspora globally, to grow their business by investing in Africa.

Under the U.S. Africa Growth and Opportunity Act, MBEs in the United States are positioned to serve as strategic partners in the purchase and distribution of products and services manufactured by SMEs in Africa. The *business to business* linkage of the African Diaspora in the United States with the African continent and the Caribbean represents a mutual win-win and the opportunity to forge a strategic competitive advantage.

I recently returned from the African nations of Tanzania and Zanzibar where my objective was to foster entrepreneurial growth on the African continent by linking SMEs and MBEs. President Bush has noted that "...*too often we view Africa as a continent rife with struggles and fail to see the goodness of the African people...*" I can provide first hand assurance that Africa is not the lost continent. On the contrary, President Bush's assessment of Africa is correct and perceptive despite Africa's historic challenges. It is no secret Africa has a history of economic failure.

Nevertheless, Africa's economies are emerging and expanding. Africa is alive and experiencing a reduction in poverty, a resurgence of an entrepreneurial spirit across the continent and economic interest from its global neighbors.

I believe Africa is receptive to our business to business model. While in Tanzania as part of the Eighth (VIII) Leon H. Sullivan Summit in Africa, MBDA hosted a business to business forum. We planned for about 250 local SMEs to participate. We were stunned when more than 600 SMEs arrive and signed up for MBDA's International Phoenix Opportunity System—a free, on-line service designed to link SMEs to U.S. MBEs. As a result of our re-emergence in Africa and President Bush's leadership, MBDA remains optimistic about the potential for U.S.-Africa trade and investment predicated on a strategy of *business to business enterprise linkages*.

Let me bring it home. We as a people must begin to make "us" a priority. In other words, we have a responsibility to raise a new generation of entrepreneurs and business owners. If young people, especially minorities, do not see themselves as part of the President's vision of an "ownership society," then the ownership of America, its markets, assets and global value chains will become the ownership rights of others.

The Transition to Digital Television

Now on a final note and a little closer to home, literally, regarding making us a priority, I want to close by talking about the issue of *transition to digital television*, a top priority for the NAACP community. The transition to digital will happen in just seven months. It's an issue of great importance for all Americans. But, it could adversely impact a large number of families if they're not prepared. We need your help to make sure every family is ready.

By an act of Congress, on midnight on February 17th, 2009, all full power television stations in America will stop broadcasting in analog and switch to 100 percent digital broadcasting. This is being called the greatest advance in television since the introduction of color TV. Digital broadcasting promised to provide a sharper picture, better sound, and more programming options. Importantly, it will free up our nation's airwaves so first responders, like firefighters and police officers, can more effectively communicate during an emergency. And that's the good news.

The bad news is a recent Nielsen report indicated that 16 percent of households that are unprepared for the transition are headed by an African American. **That's why we need your help!**

These are homes that receive over-the-air television service through an antenna on top of the television or on a roof. There are a variety of options to ensure they are able to keep watching TV. Without getting into the weeds, let me give you guidance on how we need to prepare.

First, consumers can keep their analog TV and purchase a TV converter box. Second, coupons for \$40 dollars to help offset the cost of those boxes can be ordered at DTV2009.gov and I would encourage you to take a minute to write down this website... DTV2009.gov. Third, the converter box plugs into the analog TV and will keep it working after February 17th, 2009. Consumers can also choose to connect to cable, satellite or another type of pay service. Or, they can purchase a new television with a digital tuner.

I understand the NAACP is taking an active role in informing the community about the transition and the coupon program. Your partnership in this effort is critical. I thank you all for your help. We want to make sure everyone is ready. We don't want anyone to wake up to lost service next February. Today, representatives from the Department of Commerce are here to answer questions regarding the Digital TV transition. Francine, raise your hand. She and others will be on hand to assist. In addition, please visit our booth in the EXPO area for more specific information.

We need your help. We do not want the African American community specifically or the minority community in general left behind. **WILL YOU HELP?**

The Promise of the "American Mission"

As I close, I want to lay down a challenge to the National Association of Colored People. You now have before you a mission not merely a "*challenge of hope*," but of "**promise:**" *America's promise* to ensure the commitment to the *American mission* of freedom, justice and equality to be extended to people of color everywhere.

Between now and 2050 the fastest growing segment of the U.S. population will be among minorities. Equally significant is that the growth in the U.S. labor force will largely come from the minority segments of the population. Much of minority growth will be fueled by immigration. The United States will once again become a *nation of immigrants*. The difference

will be that the immigration will be people of color. The challenge for the United States is to embrace the demographic change. The challenge for the NAACP is to keep the promise of the America mission.

Some will fear this change. I say, let us embrace and welcome the change.

Some will complain about the burden and costs of immigration or the shifting of minority populations to majority status in some states. I say the positive rewards of inclusion, diversity and the growth of minority business enterprise will far outweigh the negative externalities based upon fear and ignorance.

It is a fact the United States more than any other country in the world *looks and speaks like every other country in the world*. This is our strength and competitive advantage in a 21st century worldwide economy. We must see ourselves as *contenders* committed not merely to be participants, but *winners* in the world-wide economy.

Therefore, as *President Lincoln* one noted "... we must disenthral ourselves from dogmas of the past..." and distance ourselves from those that seek shelter from the inward comfort of isolationism.

Let us prove once again to a doubting world -- we have the 'right stuff.' Let us demonstrate by our deeds, not our rhetoric -- we have the skill and courage to reach out to Native peoples, Hispanics, Asians and others from distant lands and faraway shores. Let those of us from many hues and nationalities inform the doubters that in the spirit of Langston Hughes "*we too speak American.*"

The Bush Administration is here and determined to serve you until our last day in office. As many of you prepare to host your Freedom Fund Banquets and recognition of the NAACP legacy, I hope you will not hesitate to call upon me. I would be honored to come and build upon a relationship that recognizes we have no permanent friends, no permanent enemies, only permanent interests.

As I said earlier, "*To whom much is given, much is required.*" We should also remember "*The Lord giveth and the Lord taketh away.*" Let us be the seekers and the protagonists of the *promise*.

On behalf of the President of the United States and the Secretary of Commerce, thank you for the honor to address you. I wish you a great conference.